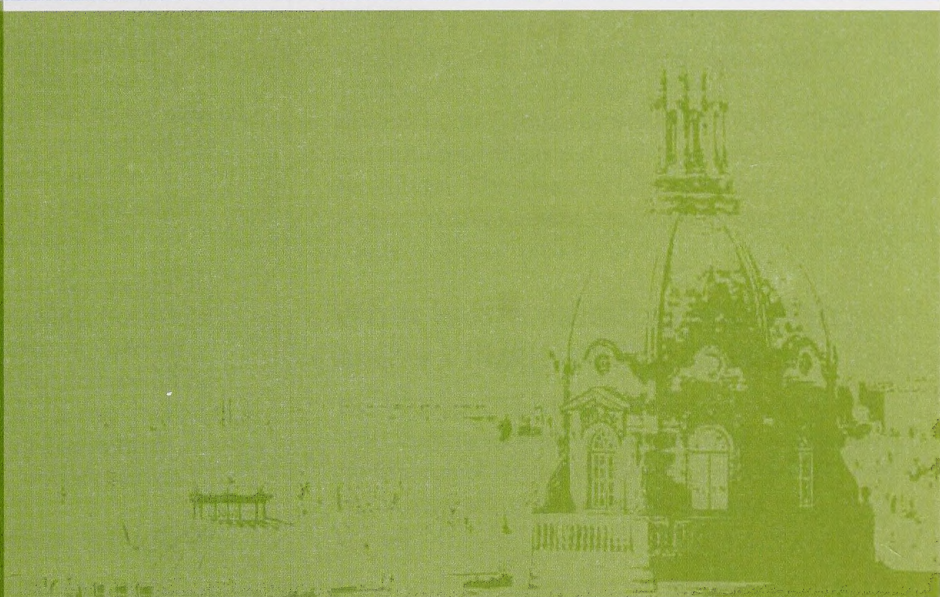


AL.2.2009-68

C-2



# **Village of Thorhild**

## **Dissolution Study**

January 2009

[www.municipalaffairs.alberta.ca](http://www.municipalaffairs.alberta.ca)

Alberta Municipal Affairs  
© Government of Alberta 2009

ISBN 978-0-7785-7161-2 (printed version)

Printed in Canada



## What is municipal dissolution?

Dissolution is a legal process in which a municipality gives up its status as an incorporated municipality to become part of a surrounding municipality. Municipal dissolution is guided by section 130 of Alberta's *Municipal Government Act*.

The Village of Thorhild (the village) is an incorporated municipality. This means that within its defined boundaries, the village council has the power to pass bylaws, the responsibility to provide services to residents, and the authority to collect property taxes and other revenues to support those services.

If the Village of Thorhild were to dissolve, it would no longer be a municipality, but would become a hamlet in the County of Thorhild No. 7 (county). The county council would then be responsible for governing, serving, and taxing the residents of the Village of Thorhild in addition to the population it already serves.

## What is a dissolution study?

A dissolution study is a process that:

- assists Alberta's Minister of Municipal Affairs in deciding if a proposed dissolution should proceed;
- includes a written report that highlights what residents could expect to happen if the village were to dissolve to become part of the county;
- reviews current municipal services in the village;
- reviews what changes may occur and how the county would provide those services to Village of Thorhild residents; and
- examines possible changes to functions and service levels, council representation, administration and municipal finances.

Alberta Municipal Affairs obtained the information for this report from the councils and administrations of the village and county, and from provincial records.

## Why consider a dissolution study?

A dissolution study was conducted for the Village of Thorhild in 2003, as a result of a sufficient electors' petition. The Minister of the day decided not to recommend dissolution at that time.

On July 28, 2008, the Minister of Municipal Affairs received a sufficient petition from electors in the Village of Thorhild. The petition was initiated because of high property taxes in the village. The Minister initiated a dissolution study as required under section 130(2) of the *Municipal Government Act*.

## What is the existing situation in the Village of Thorhild?

The Village of Thorhild was incorporated in 1949 from lands withdrawn from what was then the Municipal District of Smoky Lake No. 89. The village is known as the "Sunflower Village".

The village is located approximately 100 kilometres northeast of Edmonton at the junction of Highways 18 and 827. The County of Thorhild No. 7 is the village's rural neighbour. The county also includes the hamlets of Abee, Egremont, Long Lake, Newbrook, Opal and Radway within its boundaries.

The village uses Statistics Canada's census for its official population figures. According to this source, the population of the village was 460 prior to 2001, 478 at the 2001 census, and is currently 505. These figures show a 10 per cent population growth since 2000.

The Village of Thorhild has a council of five councillors elected by residents. The mayor is elected from among the councillors.

Effective September 29, 2008, Mayor Stanley Olchoway resigned from council. A by-election to fill this council seat has been delayed until after the conclusion of the dissolution study.



The village currently has no staff. Effective August 12, 2008, the village contracted the County of Thorhild to provide administrative, public works and utility services under a short-term agreement. The county hired three additional staff persons on a short-term basis and extended the term of the county's public works staff to assist with operations in the village.

## What is the financial situation in the Village of Thorhild?

*Note: The following financial information is taken from the Village of Thorhild's audited municipal financial statements from 2003 to 2007, from Financial Information Returns (FIR) and from the Alberta Capital Finance Authority's records.*

### Operating Fund

The following table summarizes the village's actual operating revenues and expenditures from 2003 to 2007.

| Year | Total Revenue | Total Expenditure | Net Revenue |
|------|---------------|-------------------|-------------|
| 2003 | \$1,687,889   | \$1,711,993       | \$(24,104)  |
| 2004 | \$1,746,337   | \$1,765,828       | \$(19,491)  |
| 2005 | \$1,943,126   | \$1,921,305       | \$ 21,821   |
| 2006 | \$1,963,768   | \$1,944,499       | \$ 19,269   |
| 2007 | \$2,087,279   | \$2,141,043       | \$(53,764)  |

It should be noted that both the total revenue and total expenditures include revenues and expenditures generated by the gas distribution system.

This table shows that in three of the five years, the village did not bring in sufficient revenue to cover its expenses, thus running a deficit in 2003, 2004 and 2007.

According to the audited financial statements, the closing balance of the village's operating fund at December 31, 2007 was \$40 and the operating reserve was \$46,874.

### Capital Reserves

Reserves help a municipality plan and pay for future projects or emergency repairs. If reserves are not sufficient, a municipality may have to fund capital projects or emergency repairs from other sources such as taxation or borrowing.

On December 31, 2007, the balance of capital reserves was \$84,719.

### Deferred Revenue

Deferred revenue refers to monies received, but not expended. This includes grants approved for specific projects which have not yet been completed. On December 31, 2007, the balance of deferred revenue was \$204,669.

Typically, a municipality has sufficient funds in cash and investments to cover deferred revenue and reserve accounts. As noted by the auditor in the financial statements, there are insufficient funds in cash and investments to support the deferred revenue and insufficient cash to support the capital and operating reserves.

### Debt

The village currently has one loan from the Alberta Capital Finance Authority (ACFA). The loan, borrowed in 2002 in the amount of \$379,078, was for the purpose of paving 2<sup>nd</sup> Avenue between 2<sup>nd</sup> and 7<sup>th</sup> Streets, and paving 7<sup>th</sup> Avenue between 2<sup>nd</sup> and 4<sup>th</sup> Streets. The principal outstanding on this loan as of December 31, 2007, was \$306,179. It is due to be paid in full in 2018, through a combination of general revenue and a local improvement tax charged to 20 adjacent properties at a unified rate per parcel. This tax will raise \$50,000, or approximately 13 per cent of the cost of the project.

In addition to the ACFA debenture, the village also holds loans from the Bank of Nova Scotia. These loans were to cover upgrades to the lift stations, the purchase of land to facilitate upgrades to the lagoon, a revolving operating loan and line of credit.



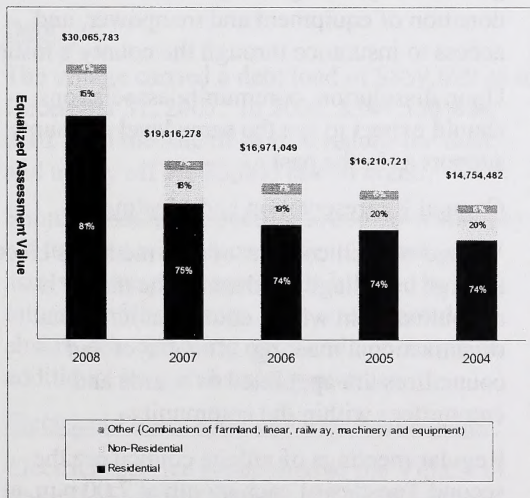
Total debt payable as of December 31, 2007, is \$829,659. For 2008, the annual payment on total debt is \$427,438. During 2008 the village sold land for approximately \$300,000. The funds from the land sale were used to pay off the loan for the purchase of land to facilitate upgrades to the lagoon, and the revolving operating loan. The remaining debt payment is to be paid from general revenues and operating transfers to debt.

### Equalized Property Tax Assessment

The equalization of assessments is a means of comparing property wealth among municipalities. The assessed values of all Alberta properties are brought to a common level, which is used as a basis for cost-sharing programs such as education funding. This value is calculated by Alberta Municipal Affairs.

The village's total equalized assessment for 2008 is \$30,065,783, which has increased 52 per cent from the previous year, and is an increase of 104 per cent since 2005.

The following chart compares equalized assessment values over the last five years, and illustrates the proportion of total assessment that is made up of residential, non-residential and other types of assessment.



### Net Municipal Property Tax

The net municipal property tax levy is the amount of money required from the property assessment base to support the village's operations. It does not include requisitions for education or the seniors' foundation.

Using the village's tax rate bylaws as the source of information, since 2005, the village's municipal tax levy has risen, from a low of \$296,930 in 2005 to a high of \$542,452 in 2008. This represents an increase of approximately 83 per cent.

Tables 1 and 2, on pages 11 and 12, show what owners of sample residential and non-residential properties in the Village of Thorhild paid to the village, and could have expected to pay if the Village of Thorhild had been a hamlet in the County of Thorhild in 2008.

### **What would remain the same if the village dissolves?**

- 911 service
- Ambulance service
- Assessment services
- Disaster services
- Local improvement tax
- Museum operations and location
- Policing services
- Safety codes inspection services.

### **What would change if the village dissolves?**

The County of Thorhild No. 7 provides services in the hamlets of Abee, Egremont, Long Lake, Newbrook, Opal and Radway. If dissolution occurs, Village of Thorhild residents could expect to receive services at the same or similar level as these hamlets.

Potential changes in the Village of Thorhild include the following:

#### Assets

As of December 31, 2007, the village had cash and investments of \$188,356 plus land for resale



valued at \$583,484. During 2008 the village sold some of the land for approximately \$300,000, which reduces the value of the land currently available for resale. In addition, the village owns equipment, vehicles, buildings and property.

Upon dissolution, the village's assets would transfer to the county. The county would retain some equipment for the provision of services. Surplus equipment would be sold or disposed of. Any proceeds from those sales would be deposited into a special reserve fund to be used for projects in the hamlet of Thorhild, or to pay off the hamlet's acquired debt. The reserve fund remains established until the funds are depleted.

### Bylaws and Enforcement

Currently, the village enforces four bylaws through contracted services. These bylaws include unsightly premises, snow removal and sidewalks, dogs, and traffic safety.

The county has similar bylaws for unsightly premises and dog control. Upon dissolution, existing village bylaws would remain in force until the county amends, repeals or replaces them.

The county has adopted specific bylaws for certain hamlets, such as operation of off-highway vehicles, and may choose to put specific bylaws in place for the hamlet of Thorhild.

The village's bylaws are enforced by a contracted bylaw officer, who also enforces the county's dog bylaw. Other county bylaws are enforced through an agreement with Sturgeon County's community peace officers.

If dissolution occurs, bylaws for the hamlet of Thorhild would be enforced by the county's bylaw enforcement service agreements.

### Capital Projects

The village's 2008 capital project list identifies projects totaling almost \$400,000. Current projects underway include renovation of the village swimming pool, the natural gas gate

station and the purchase and upgrading of the regulating station. These projects are funded through a combination of provincial and federal grants and village general revenue.

Upon dissolution, the county would prioritize the completion of projects based on:

1. the effect on the health and safety of residents, employees and the environment, or as required by law, and
2. their contribution to improvement and efficiency of operations.

The county would prioritize remaining projects, along with all other county projects, in its 10-year capital plan.

### Community Associations

Several community associations operate and maintain buildings on village-owned land. The Agriplex/indoor ice arena is operated by the Thorhild Agricultural Society, the community hall, rodeo grounds and curling rink by the Thorhild Community Association, the seniors' drop-in centre by the Seniors' Drop-In Society and the Legion Hall by the Thorhild Legion.

In the past the county has assisted the community associations in the Village of Thorhild in a variety of ways, including direct grants for operating or capital purchases, donation of equipment and manpower, and access to insurance through the county's insurer.

Upon dissolution, community associations should expect to see the same level of county support as in the past.

### Council Representation and Meetings

Village council consists of five members elected at large by village residents. The mayor is appointed from within council at its annual organizational meeting. The mayor and councillors are appointed to boards and committees within the community.

Regular meetings of village council are the second Tuesday of each month at 7:00 p.m. at the village office.



To make a presentation before a village council meeting, members of the public must apply in writing to the village office in advance.

Residents of the County of Thorhild are represented by five councillors elected from the five electoral divisions. The reeve of the county is appointed at the annual organizational meeting from among the councillors. County council meets every second and fourth Tuesday of the month at 9:30 a.m. at the county office. If a member of the public wants to address county council, they must apply in writing to the county office in advance.

Should dissolution occur, the hamlet of Thorhild would fall into the county's Division 3, currently represented by Reeve Henry Zolkewski. While county councillors are elected by division, all councillors represent the interests of all ratepayers of the municipality. The number of county councillors would remain at five if dissolution occurs.

If the village of Thorhild becomes a hamlet within the county, the county would review its electoral boundaries. The county plans to conduct a county-wide census in 2009. Census results may be used to review the county's electoral division boundaries.

### Debt

The village carried a debt load of \$859,629 as of December 31, 2007. In 2008, \$344,550 was used from the sale of land to reduce the debt, and to pay off the \$3,000 line of credit.

Should dissolution occur, the county would pay off the debt with proceeds from the sale of assets, or keep the assets if it is in the best interests of the county. The county would absorb debt servicing costs and not charge an additional levy on hamlet properties.

### Electrical Power and Franchise Agreements

Electrical service is supplied to the Village of Thorhild by FortisAlberta. The village has a franchise agreement with Fortis which levies a

4 per cent franchise fee on village residents' power bills.

Upon dissolution, electrical service in the hamlet of Thorhild would continue to be provided by FortisAlberta and customers would have their choice of electrical power providers.

Currently, only one hamlet pays a franchise fee, which expires December 31, 2008. Over time, the county would harmonize franchise agreements in its hamlets.

The county would review the electricity provision agreement for village facilities.

### Family and Community Support Services (FCSS)

A joint inter-agency FCSS advisory group helps to determine the programming needs for the community. The Village of Thorhild provides funding to local community groups to carry out programs such as income tax preparation, seniors' recognition and the Thorhild Sunflower Festival, among others.

The village and county have worked cooperatively in the past in funding and implementing programs that address identified needs in the community. Although the village and county have separate FCSS programs, both village and county residents benefit from all programs.

Should dissolution occur, the county would continue to review programs regularly and modify program offerings accordingly. The county would continue its cost-shared agreement with the province for FCSS funding, for the benefit of all county residents.

### Fire Services

The Village of Thorhild has its own fire department which is manned by volunteer fire-fighters. The village has an up-to-date policy and operating guidelines for fire response. Space in the village's fire hall is leased to Associated Ambulance.



The village and county have pooled municipal sponsorship funding to collectively fund an emergency services coordinator to coordinate emergency service operations in both the county and village. Firefighting crews from both the village and county attend joint meetings and training and jointly respond to calls.

Upon dissolution, emergency services would continue to be delivered by volunteer firefighters under a unified county emergency services organization. Services may be consolidated and managed from one building.

In this consolidated arrangement, the village's fire equipment would be assessed; equipment deemed useful would be kept, and surplus equipment would be sold, including the village's pumper, which would not be required.

#### Insurance

The village does not carry any "Additional Named Insured" on its insurance policy. However, the village does pay the premium on village-owned property where the facility is operated by a community organization, and the organization is in turn charged for the premium.

The county does carry "Additional Named Insured" on its policy and organizations are charged for the premium.

Upon dissolution, community groups in the village would be able to apply to the county for consideration to be covered as an "Additional Named Insured" on the county's insurance policy.

#### Garbage Collection / Recycling / Toxic Round-Up

Weekly garbage pick-up in the village is provided by contracted services. This service also includes biweekly pick-up of recyclables. Residents and businesses are charged on a cost-recovery basis at \$14.00 per month.

The village is a member of the Thorhild Regional Waste Management Services Commission, which operates three landfills in the county. The Commission hosts an annual

toxic round-up. The village contributes to Commission costs.

The county uses contracted services to collect garbage in the hamlets within the county, on a cost-recovery basis.

Should the village dissolve, the village's contracted services would be retained until the expiration of the contract in 2010, at which time the county contractor would provide the service.

#### General Enquiries / After-Hours Emergencies

The village communicates with its residents through a monthly flyer sent in the utility bills, advertisements in local newspapers, and in-person at the village office. The village also has a website at [www.thorhild.com](http://www.thorhild.com). Village council meetings are open to the public and are reported on by the local media.

After-hours emergencies are reported through the public works phone number to on-call staff.

Upon dissolution, village residents would learn about county business through a monthly insertion in the *Redwater Review* called the "County Communicator". The County also has a website at [www.thorhildcounty.com](http://www.thorhildcounty.com). In addition to in-person communication, the county sends out notices in utility bills, advertises in the local newspapers, and holds public input sessions as appropriate. County council meetings are open to the public.

After-hours emergencies are directed to a local answering service and are dealt with by on-call county staff.

#### Grants

The village has applied for and received funding from a number of grant programs. Projects currently underway include a Wetland Study funded by the Alberta Municipal Water / Wastewater Partnership Program, upgrades to the gas metering station through Alberta Agriculture and Rural Development, and renovations to the swimming pool through the Municipal Rural Infrastructure Fund.



Should the village dissolve, the county would complete the initiatives if funding is in place.

Upon dissolution, the Village of Thorhild would no longer be eligible to apply directly for municipal grants; however, for grants that use population as a basis for the funding formula, the county's allocation would proportionally increase.

#### Grass Cutting

The village cuts grass and weeds on village-owned properties and road allowances. The village offers a fee-based grass-cutting service to residents.

The county cuts grass in the hamlets on an as-needed basis to maintain neatness and fire safety. If a property is deemed unsightly, the county would clean up the property and charge the cost to the property owner. The county provides grass-cutting services for residents in the hamlets if requested, and customers are billed for the service. Thorhild residents could expect the same level of service should the village dissolve.

#### Library

The village library is located in the village office building. The Village of Thorhild Library Board is responsible for the management and operation of the library. The village is a member of the Northern Lights Library System.

The library is funded through a combination of general tax revenue, a provincial library grant, contributions from the County of Thorhild regional library, and user fees.

In accordance with the *Alberta Libraries Act*, should the village dissolve, the Village of Thorhild Library Board would dissolve prior to village dissolution. Assets owned by the village would become property of the county and those owned by the Northern Lights Library system would be returned to the system.

If the village should dissolve, the village would no longer be eligible for the provincial library grant. The county's per capita library grant

would increase, but it would not match what the village library currently receives. The library's operations would be governed by the County of Thorhild Library Board, similar to the libraries in Newbrook and Radway.

#### Municipal Office

The village office is open from 8:30 a.m. to 4:30 p.m. Tuesday to Friday, with an hour lunch closure from 12:00 noon to 1:00 p.m.

The village office also leases office space to a dentist and lawyer, and houses the Public Library and Thorhild Museum.

The county office, located in Thorhild, is open from 8:00 a.m. to 4:30 p.m., and is closed for lunch from 12:00 noon to 1:00 p.m.

Should dissolution occur, the village office would become the property of the county. The county would continue to lease space to the professional offices, and house the library and museum in the building.

#### Municipal Property Taxes

The village has established municipal tax rates that generate funds to pay for operations, programs and services provided to residents and to pay down the village's debt. Each property's tax is calculated by multiplying the tax rate by the assessed value of the property.

The village's 2008 combined tax rate for residential properties (municipal, school and seniors' foundation) for residential properties is 19.2208 and for non-residential properties is 29.0868.

The village has a minimum tax levy of \$500 for all property types. This was increased from \$250 in 2006.

Taxpayers of the village are able to make their tax payments in equal monthly installments, provided all arrears and penalties are paid in full by the end of the preceding year.



Should the village dissolve, any taxes owed to the village would be owed to the county. The county does not charge a minimum property tax.

In 2008, the county's combined tax rate for hamlet residential is 7.1336 and for non-residential is 23.39. If the village should dissolve, village residents would pay less property tax; however, the village may currently provide programs and services funded through tax revenues that differ from those offered by the county.

Tables 1 and 2 compare the amount of tax residents of the Village of Thorhild might have paid in 2008 if county tax rates had been applied to both residential and non-residential properties.

#### Municipal Tax Due Dates / Penalties for Unpaid Taxes

Village property taxes are due 60 days after the date of mailing of the tax notice. After 60 days, a penalty of 15 per cent is applied to the current year's levy. An additional 15 per cent is applied to any outstanding balance on December 31 of the tax year.

Should dissolution occur, residents of the hamlet of Thorhild would receive their assessment and property tax notice from the county, and would be subject to the county's due dates and penalties.

County property taxes are due June 30 of the taxation year. A 10 per cent penalty is applied to the current year's levy as of July 1, and a 15 per cent penalty applied on all outstanding balances on December 1.

#### Municipal Sustainability Plan

In 2007, Village of Thorhild Council committed to become one of the five pilot projects to undertake a municipal sustainability planning process under the Alberta Urban Municipalities Association (AUMA) program.

The Thorhild Action Group was formed to coordinate the sustainability planning process, engage residents, gather information from the

community and promote initiatives. Village council adopted the completed plan in April, 2008.

The village was recognized with an award from AUMA for its work in municipal sustainability planning.

Upon dissolution, the county would review the village's municipal sustainability plan and determine how or if any elements of the plan could be incorporated into the county's decision-making processes and development plans.

#### Planning and Development

Planning advice is provided to the village as a contracted service. County of Thorhild staff currently provide on-going development services to the village such as monitoring of development and building activity, development permits, subdivision and servicing issues.

Four developments are currently underway in the village, which are the gazebo and three residential subdivisions, two of which are completed.

The county employs the same contracted services to provide planning advice. The county's land and development department handles on-going enquiries.

Upon dissolution, the village's development plans and bylaws would remain in place until they are amended, repealed or replaced by the county. The county would complete the major planning and development projects initiated by the village.

#### Recreation Facilities

There are numerous recreational and community facilities in the Village of Thorhild. The community hall, curling rink, ice arena, seniors' drop-in centre and rodeo grounds are all situated on village-owned land, and operated and maintained by community volunteers.

In addition, parks, campgrounds and a tennis court are owned and maintained by the village.



Should the Village of Thorhild dissolve, the county would continue to work with the community associations who run facilities to ensure continuous operation. The county has supported these organizations in the past and intends to continue to do so.

The county would evaluate the feasibility of necessary repairs and renovations to the swimming pool, based on capital costs, long-term operating costs, expected usage and potential grant revenue, in consideration with expected health benefits, recreational opportunities, and availability of volunteer support.

#### Roads, Sidewalks and Snow Removal

Streets and some of the arterial roadways in the village are paved. Residential streets and back alleys are graveled and maintained with a grader.

The village has a written snow removal policy which sets out an order of priority for snow clearing, with the ambulance departure route taking first priority, followed by the seniors' residence, the downtown core, and residential areas. Alleys and lanes are cleared only after all other main routes are cleared.

There is no formal policy for snow clearing in the hamlets within the county, but judgment is exercised by public works staff. School bus routes usually receive first priority. Upon dissolution, the village could expect to receive the same snow clearing priority as other hamlets.

The county would continue to clear snow as a complementary service from the parking lots of the community hall and the Legion upon request.

#### Streetlights

Streetlights in the Village of Thorhild are owned by FortisAlberta. The \$30,000 annual cost for street lighting is paid out of general revenue.

The county pays the electrical service providers for street lighting in its other hamlets, and would do the same for the hamlet of Thorhild upon dissolution.

#### Utilities

The village's utilities include water, sewer and natural gas.

##### *Utility Billing*

Village residents are billed monthly and payments can be made in person at the village office, or through on-line banking, or telephone banking service. Penalties for late payment are 3 per cent per month.

Upon dissolution, residents of the Village of Thorhild would pay their utility bills to the county. The county contracts utility meter reading for all of its customers. Residents can make payments at the county office, their financial institution, or through the telephone or internet. The county's penalty for late payment is 2 per cent per month.

The county is attempting to move towards full cost recovery for utility services, including water, sewer, natural gas and garbage collection; therefore, utility rates may change in the future.

##### *Utility Rates*

2008 utility rates were as follows:

##### *Natural Gas:*

|                        | <b>Village</b> | <b>County</b> |
|------------------------|----------------|---------------|
| Monthly Service Charge | 18.00          | 24.00         |
| Meter reading charge   | 0              | 4.50          |
| Wholesale              | 5.30           | 5.30          |
| Variable               | .20            | .20           |
| Distribution           | 1.50           | 1.84          |
| Rebate                 | (1.50)         | (1.50)        |
| Total                  | \$ 5.50        | \$ 5.84       |

Although residents of the village are not charged a meter reading fee on their utility bills, the village does pay for meter reading from general revenue.



### *Water and Wastewater:*

2008 village charges for water and wastewater:

| <b>Village</b>         | <b>Residential and Non-Residential</b>         |
|------------------------|--|
| Service charge / month | \$ 24.00+                                      |
| Usage charge           | \$ 2.25/m <sup>3</sup> or<br>\$10.23/1000 gal. |
| Wastewater             | \$ 22.00                                       |

2008 county charges for water and wastewater:

| <b>County Water</b>             | <b>Residential</b>       | <b>Non-residential</b>   |
|---------------------------------|--------------------------|--------------------------|
| <b>Egremont &amp; Radway</b>    |                          |                          |
| Service charge                  | \$15.00+                 | \$20.00+                 |
| Usage: first 100 m <sup>3</sup> | \$ 2.80 / m <sup>3</sup> | \$ 2.72 / m <sup>3</sup> |
| over 100 m <sup>3</sup>         | \$ 3.50 / m <sup>3</sup> | \$ 3.13 / m <sup>3</sup> |
| <b>Newbrook</b>                 |                          |                          |
| Service charge                  | \$10.00+                 | \$15.00+                 |
| Usage: first 100 m <sup>3</sup> | \$ 1.40 / m <sup>3</sup> | \$ 1.35 / m <sup>3</sup> |
| over 100 m <sup>3</sup>         | \$ 1.75 / m <sup>3</sup> | \$ 1.75 / m <sup>3</sup> |
| <b>County Wastewater</b>        |                          |                          |
| Egremont                        | \$10.00 +                | \$15.00 +                |
| (25%)*                          | 0.70 / m <sup>3</sup>    | 0.68 / m <sup>3</sup>    |
| Radway                          | \$10.00 +                | \$15.00 +                |
| (15%)*                          | 0.42 / m <sup>3</sup>    | 0.41 / m <sup>3</sup>    |
| Newbrook                        | \$10.00 +                | \$15.00 +                |
| (50%)*                          | 0.70 / m <sup>3</sup>    | 0.67 / m <sup>3</sup>    |

\* Percentage of water consumption used to calculate wastewater charge

### *Utility Systems*

#### *Natural Gas:*

The Village of Thorhild owns and operates the natural gas utility in Thorhild and buys natural gas from Gas Alberta, a corporation owned by rural gas cooperatives and rural municipalities supplying gas services. Currently the village contracts the County of Thorhild to operate its natural gas system.

The county also owns and operates its own natural gas utility with over 1,100 customers, and buys gas from Gas Alberta. Upon dissolution, the two operations would be amalgamated and operated as one utility.

County rates for gas service are slightly higher than current rates for residents of the village. If the two gas utilities were merged, gas rates currently being charged to village customers could change.

#### *Water and Wastewater:*

The village's water is supplied by the Thorhild Regional Water Services Commission. Wastewater is processed through a gravity-based system with two lift stations.

The County of Thorhild currently maintains water and wastewater services in all its hamlets, and is currently maintaining water services for the Village of Thorhild under the service agreement.

Should the Village of Thorhild dissolve, its water and wastewater facilities and services would be consolidated with the operations of the county.



**Table 1**  
**Village of Thorhild Residential Property Tax Comparison**  
**2008 Municipal and School Taxes**

**Note:** This table shows the changes that may occur for three actual residential properties in the Village of Thorhild if the village were to dissolve. Property taxes may not be the only financial cost associated with living in the Village of Thorhild that would change. Utility rates could change, and additional fees may be considered for services that the Village of Thorhild now provides to residents that the County of Thorhild does not provide in hamlets. These factors would have an effect on the cost of living in the hamlet of Thorhild.

| <b><u>Village of Thorhild</u></b> |                | <b><u>County of Thorhild</u></b>  |               |
|-----------------------------------|----------------|-----------------------------------|---------------|
| Municipal                         | 16.6500        | Municipal                         | 4.2680        |
| School Tax                        | 2.0870         | School Tax                        | 2.3069        |
| Seniors Foundation                | <u>0.4838</u>  | Seniors Foundation                | <u>0.5587</u> |
| <b>2008 Comparative Tax Rate:</b> | <b>19.2208</b> | <b>2008 Comparative Tax Rate:</b> | <b>7.1336</b> |

**If Thorhild remains a village**

Actual 2008 residential property taxes levied on three properties in the Village of Thorhild based on the 2008 residential tax rate:

| <b>Assessment</b> |            | <b>Village of Thorhild<br/>Tax Rate</b> |               | <b>Village of Thorhild<br/>Property Taxes</b> |                 |
|-------------------|------------|---|---------------|---|-----------------|
| Property 1        | \$ 26,090  | x                                       | 19.2208 mills | x   | 0.001 = \$ 501  |
| Property 2        | \$ 157,170 | x                                       | 19.2208 mills | x   | 0.001 = \$ 3020 |
| Property 3        | \$ 242,150 | x                                       | 19.2208 mills | x   | 0.001 = \$ 4654 |

**If the Village of Thorhild dissolves**

Estimated residential property taxes for the same three properties based on the 2008 County of Thorhild residential tax rate:

| <b>Assessment</b> |            | <b>County of Thorhild<br/>Tax Rate</b> |              | <b>County of Thorhild<br/>Property Taxes</b> |                 |
|-------------------|------------|--|--------------|--|-----------------|
| Property 1        | \$ 26,090  | x                                      | 7.1336 mills | x  | 0.001 = \$ 186  |
| Property 2        | \$ 157,170 | x                                      | 7.1336 mills | x  | 0.001 = \$ 1121 |
| Property 3        | \$ 242,150 | x                                      | 7.1336 mills | x  | 0.001 = \$ 1724 |



**Table 2**

**Village of Thorhild Non-residential Property Tax Comparison  
2008 Municipal and School Taxes**

**Note:** This table shows the changes that may occur for three actual non-residential properties in the Village of Thorhild if the village were to dissolve. Property taxes may not be the only financial cost that would change. Utility rates could change, and additional fees may be considered for services that the Village of Thorhild now provides that the County of Thorhild does not provide in hamlets. These factors would have an effect on the cost of living in the hamlet of Thorhild.

| <u>Village of Thorhild</u>        |                | <u>County of Thorhild</u>         |                |
|-----------------------------------|----------------|-----------------------------------|----------------|
| Municipal                         | 24.0000        | Municipal                         | 18.5000        |
| School Tax                        | 4.6030         | School Tax                        | 4.3313         |
| Seniors Foundation                | <u>0.4838</u>  | Seniors Foundation                | <u>0.5587</u>  |
| <b>2008 Comparative Tax Rate:</b> | <b>29.0868</b> | <b>2008 Comparative Tax Rate:</b> | <b>23.3900</b> |

**If the Village of Thorhild remains a village:**

Actual 2008 non-residential property taxes levied on three properties in the Village of Thorhild based on the 2008 residential tax rate:

| Assessment |            |   | Village of Thorhild<br>Tax Rate |   |       | Village of Thorhild<br>Property Taxes |           |  |
|------------|------------|---|---------------------------------|---|-------|---------------------------------------|-----------|--|
| Property 1 | \$ 23,290  | x | 29.0868 mills                   | x | 0.001 | =                                     | \$ 677    |  |
| Property 2 | \$ 151,280 | x | 29.0868 mills                   | x | 0.001 | =                                     | \$ 4,400  |  |
| Property 3 | \$ 430,270 | x | 29.0868 mills                   | x | 0.001 | =                                     | \$ 12,515 |  |

**If the Village of Thorhild dissolves:**

Estimated non-residential property taxes for the same three properties based on the 2008 County of Thorhild's residential tax rate:

| Assessment |            |   | County of Thorhild<br>Tax Rate |   |       | County of Thorhild<br>Property Taxes |           |  |
|------------|------------|---|--------------------------------|---|-------|--------------------------------------|-----------|--|
| Property 1 | \$ 23,290  | x | 23.3900 mills                  | x | 0.001 | =                                    | \$ 545    |  |
| Property 2 | \$ 151,280 | x | 23.3900 mills                  | x | 0.001 | =                                    | \$ 3,538  |  |
| Property 3 | \$ 430,270 | x | 23.3900 mills                  | x | 0.001 | =                                    | \$ 10,064 |  |



# Notes



## How do I get more information?

A public meeting will be held on **Tuesday, January 27, 2009, at 7:00 p.m.** in the **Thorhild Community Centre**, 7<sup>th</sup> Avenue, to discuss the information in the dissolution study report.

Village residents will be mailed a notice of the public meeting and are encouraged to attend.

Officials from Alberta Municipal Affairs will present the dissolution study report and will be available to answer your questions.

## Will there be a vote on dissolution?

Yes. A non-binding vote on the question of dissolution will take place on **Monday, February 2, 2009, between 10:00 a.m. and 8:00 p.m.** at the **Royal Canadian Legion Hall, Thorhild Branch**, 5<sup>th</sup> Street, Thorhild.

The question on the ballot will be: ***“Are you in favour of dissolving the Village of Thorhild to become part of the County of Thorhild?”***

Alberta Municipal Affairs must administer the vote in accordance with the *Local Authorities Election Act*. To be eligible to vote, you must be:

- at least 18 years of age;
- a Canadian citizen
- a resident of Alberta for the 6 months immediately preceding the vote; and
- a resident of the Village of Thorhild on the day of the vote.

When registering to vote, residents are required to provide the **street address** or **legal description** of their residence in the Village of Thorhild. A mailing address is not sufficient.

## What happens next?

The Minister of Municipal Affairs will then make a recommendation about whether or not the Village of Thorhild should dissolve.

In making a recommendation, the Minister will consider this report, the views of the village and the county councils, the issues raised at the public meeting, and the results of the vote.

## What will happen if the Village of Thorhild dissolves?

If the Minister recommends dissolution to the Provincial Cabinet, and Cabinet agrees, the existing village council and administration would work with the County of Thorhild to consolidate the village's affairs by the recommended dissolution date.

## What will happen if the Village of Thorhild does not dissolve?

The Village of Thorhild will maintain its status as an incorporated municipality. The village's council will continue to be responsible for providing governance, levying taxes, and providing municipal services to the village.

## For further information, contact:

Coral Callioux or Linda Reynolds

By phone, dial 780-310-0000 (toll free) then enter 780-427-2225

or write to Alberta Municipal Affairs, Attention: Village of Thorhild Dissolution Study

Alberta Municipal Affairs  
17<sup>th</sup> floor, Commerce Place

10155 102 Street, Edmonton, Alberta T5J 4L4